

Publication 3598

What You Should Know About

The Audit Reconsideration Process



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The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

What is Audit Reconsideration?

An Audit Reconsideration is a process used by the Internal Revenue Service to help you when you disagree with the results of an IRS audit of your tax return, or a return created for you by the IRS because you did not file a tax return as authorized by the Internal Revenue Code 6020(b).

Reasons for a Request

You may request audit reconsideration if you:

- Did not appear for your audit
- Moved and did not receive correspondence from the IRS
- Have additional information to present that you did not provide during your original audit
- Disagree with the assessment from the audit

Steps to follow to get Audit Reconsideration

Step 1:

Review the examination report and attachments to determine which items you feel are incorrect. Gather the documentation needed to support your position. Verify that the supporting documentation is new information that has not been presented before and ensure that it is for the tax year in question.

Your reconsideration request will be accepted if:

- You submit information that we have not considered previously.
- You filed a return after the IRS completed a return for you.
- You believe the IRS made a computational or processing error in assessing your tax.

- The liability is unpaid or credits are denied.

Note: If you have paid the amount due in full, you must file a formal claim (Form 1040X, Amended U.S. Individual Income Tax Return).

Step 2:

Make photocopies of the documents gathered above and attach to your letter explaining your request for reconsideration. Please ensure that you are clear as to which changes you want us to consider. Form 12661, Disputed Issue Verification, is recommended to explain the issues you disagree with. If available, attach a copy of your examination report, Form 4549, along with the new documentation that supports your position. Include a daytime and evening telephone number and the best time for us to call you.

Please do not send original documents – originals will not be returned.

Note: If you are faxing your documents, please include your identifying information (i.e., your TIN and tax year) on each page you fax. This is to ensure all pages are associated with your case.

The IRS will not accept your audit reconsideration request if:

- You previously agreed to pay the amount of tax you owe by signing an agreement such as a Form 906, Closing Agreement; a Compromise agreement; or an agreement on Form 870-AD with the Appeals office.
- The amount of tax you owe is the result of final partnership item adjustments under TEFRA, Tax Equity Fiscal Responsibility Act.
- The United States Tax Court, or another court, has issued a final determination on your tax liability.

Once your documentation is received

We will send you a letter if we need further information to reconsider your disputed issue(s). It is in your best interest to provide complete information on each disputed issue. We consider each issue separately based on the new information that you provide. We will change any adjustment if your new information and the tax law support that change.

When we receive your documentation, we may delay our collection activity. However, we may resume collection activity if the documentation is not sufficient to support your position and you do not respond to any requests for additional information within 30 calendar days.

Note: If you currently have an installment agreement, you must continue to make payments. You may want to refer to Publication 1546, Taxpayer Advocate Service - Your Voice at the IRS, if you are

experiencing economic hardship as a result of a tax problem.

We will notify you once we complete our review to inform you that:

- We accepted your information. If so, we will abate (remove) the tax assessed.
- We accepted your information in part and we will partially reduce the tax assessed.
- Your information did not support your claim and we are unable to eliminate the tax assessed.

If you agree with the results of the reconsideration:

Pay the amount due in full or make other arrangements as outlined in the section titled "Payment Options".

If you disagree with the results of the reconsideration:

- Request an Appeals Conference,
- Pay the amount due in full and file a formal claim, or
- Do nothing. We will send you a bill for the amount due.

You have the following rights as a taxpayer:

• The Right to Be Informed

Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.

- **The Right to Quality Service**

Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.

- **The Right to Pay No More than the Correct Amount of Tax**

Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.

- **The Right to Challenge the IRS's Position and Be Heard**

Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider

their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.

- **The Right to Appeal an IRS Decision in an Independent Forum**

Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Office of Appeals' decision. Taxpayers generally have the right to take their cases to court.

- **The Right to Finality**

Taxpayers have the right to know the maximum amount of time they have to challenge the IRS's position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.

- **The Right to Privacy**

Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections and will provide, where applicable, a collection due process hearing.

- **The Right to Confidentiality**

Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.

- **The Right to Retain Representation**

Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low Income Taxpayer Clinic if they cannot afford representation.

- **The Right to a Fair and Just Tax System**

Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.

Payment Options

Pay the full amount now

Make your check or money order payable to “United States Treasury” and mail to the address on your bill. Write the tax year, your Social Security Number, and your phone number on your check or money order.

Payment by Credit or Debit Card

Payment by debit or credit cards is convenient, safe, and secure. Individual taxpayers may make credit or debit card payments on tax liabilities (including installment agreement payments) by phone or Internet using major credit cards. These payments are made to the United States Treasury through authorized credit card service providers.

The service providers charge a convenience fee based on the payment amount. You will be informed of the convenience fee amount

before the credit card payment is authorized. You must agree to the terms and conditions of the payment including acceptance of the convenience fee before the transaction is completed. The payment date will be the date the charge is authorized. The confirmation number provided at the end of the transaction and on your account statement will both provide proof of payment.

Visit www.irs.gov, Keyword: epay or e-pay, to obtain a list of authorized service providers and to obtain updated information on card payment options.

The Electronic Federal Tax Payment System (EFTPS) The Internal Revenue Service and Financial Management Service provide EFTPS free. It is convenient, secure, and saves time.

Taxpayers may enroll in EFTPS at www.eftps.gov or by completing a form available from EFTPS customer service at (800) 555-4477. Once enrolled in EFTPS, you can pay all your federal taxes electronically

using the Internet or phone. You can also make EFTPS payments through your local financial institution.

Installment Agreement

An installment agreement (IA) allows you to pay your debt in smaller, more manageable amounts. Installment agreements generally require equal monthly payments. We base the amount and number of your installment payments on the amount you owe and your ability to pay that amount within the time we can legally collect payments from you.

You should be aware, however, that an installment agreement is more costly than paying all the taxes you owe now. Like revolving credit arrangements, we charge interest on the unpaid portion of the debt. Penalties also continue to accumulate on installment agreements.

Another cost associated with an installment agreement is a user fee. We charge this one-

time fee to set up the agreement. If you do not meet the terms of the agreement throughout the life of the agreement, we charge an additional fee to reinstate it.

If you want to pay off your tax debt through an installment agreement, visit www.irs.gov and use the search engine with keywords “installment agreement” or call the number shown on your bill.

If you arrange for an installment agreement, you may use any of the following payment methods:

- Personal or business checks, money orders, or certified funds (payable to the United States Treasury)
- Credit and debit cards
- Payroll deductions your employer takes from your salary and regularly sends to IRS

- Electronic transfers (direct debits) from your bank account or other similar means

Note: We generally cannot take any collection actions affecting your property while we consider your request for an installment agreement, while your agreement is in effect, for 30 days after we reject your request for an agreement or for any period while you appeal the rejection.

Offer in Compromise (OIC)

With an OIC, we can accept less than the full amount you owe when it is doubtful we will be able to collect the entire amount due or if collection action would create an economic hardship. In some cases, we may accept an Offer in Compromise (OIC), to settle an unpaid tax account, including any penalties and interest. See Form 656, Offer in Compromise, and Form 656-L, Offer in Compromise (Doubt as to Liability), which includes necessary forms and instructions. In

most cases, there is an application fee and a required initial payment associated with applying for an Offer in Compromise.

Temporarily Delay the Collection Process

If we determine that you can't pay any of your tax debt, we may temporarily delay collection until your financial condition improves. You should know that if we delay collecting from you, your debt will continue to increase until the tax, penalties, and interest are paid in full. During a temporary delay, we will periodically review your ability to pay. We may also file a Notice of Federal Tax Lien, to protect the government's interest in your assets. See Publication 594, The IRS Collection Process.

Help with Unresolved Tax Problems and Hardships

The Taxpayer Advocate Service can help you if you tried unsuccessfully to resolve a

problem with the IRS. Your local Taxpayer Advocate can offer you special help if you have a significant hardship as a result of a tax problem. For more information, call toll-free 1-877-777-4778 (1-800-829-4059 for TTY/TDD) or write to the Taxpayer Advocate at the IRS Office that last contacted you.

Frequently Asked Questions

1. How long do I have to file for audit reconsideration?

An audit reconsideration request can be made anytime after an examination assessment has been made on your account and the tax remains unpaid.

2. Where do I send my reconsideration request?

All reconsideration requests are first reviewed in the IRS campuses listed in this publication. Please call one of the toll free numbers for the campus to obtain correct address. If a face to

face meeting is necessary the campus will transfer to the office nearest you.

3. Do I need to complete a special form to request audit reconsideration?

The IRS doesn't require you to complete a special form, however, Form 12661, Disputed Issue Verification, is recommended to explain the issues you disagree with.

4. How long will it take before I receive an answer to my request?

The IRS strives to timely handle all requests received. You should expect to hear from us regarding your reconsideration request within 30 days after submission.

5. Do I need to send proof with my request for reconsideration?

Yes. In order to have your case reconsidered, documentation must accompany the request.

6. How do I know if the information I sent before was considered?

When the examiners provide any explanations to you, a list of the documentation that you submitted will be included with an explanation as to if it was acceptable. If the list doesn't include the documents that you submitted, you may need to resubmit that information.

7. Do I need to resend the information previously submitted?

Under normal circumstances you do not. If for some reason it appears that the IRS didn't receive previously submitted documentation, you may resubmit that information.

If you decide to request audit reconsideration, please send your request to the address of the IRS campus shown on your Examination Report listed below. If the office that completed your audit is not listed, call the toll free numbers below for the correct address to send your request

Andover Campus

Internal Revenue Service
310 Lowell Street Stop 823
Andover, MA 01810-0953
Phone: 1-866-897-0177

Atlanta Campus

Internal Revenue Service
4800 Buford Hwy. Stop 54A
Chamblee, GA 39901
Phone: 1-866-897-0177

Austin Campus

Internal Revenue Service
3651 S IH 35 Stop 4103
Austin, TX 73301
Phone: 1-866-897-0177

Brookhaven Campus

Internal Revenue Service
P.O. Box 9002 Stop 611,
Team 406 Holtsville, NY 11742
Phone: 1-866- 897-0161

Cincinnati Campus

Internal Revenue Service
CIRSC P.O. Box 145574 Stop 8202
Covington, KY 45250
Phone: 1-866-897-0161

Kansas City Campus

Internal Revenue Service
P3 Stop 4200
Kansas City, MO 64999
Phone: 1-866-897-0177

Fresno Campus

Internal Revenue Service
P.O. Box 12067 Stop 82206
Fresno, CA 93776
Phone: 1-866-897-0177

Memphis Campus

Internal Revenue Service
P.O. Box 309011 Stop 8236
Memphis, TN 38130-0911
Phone: 1-866-897-0161

Ogden Campus

Internal Revenue Service

1973 N. Rulon White Blvd. Stop 4440

Ogden, UT 84404

Phone: 1-866-897-0161

Philadelphia Campus

Internal Revenue Service

Exam Recon, M/S 4-E08-141

2970 Market Street

Philadelphia, PA 19104

Phone: 1-866-897-0161